

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

IN RE:

LEHMAN BROTHERS HOLDINGS, INC., ET AL

DEBTORS.

CASE No. 08-13555 (JMP)
CHAPTER 11
ADVERSARY PROCEEDING No:

EXHIBIT B

**TO RESPONSE OF THE VAN DER HART CREDITORS
TO DEBTORS' EIGHTY-SIXTH AND EIGHTY-NINTH
OMNIBUS OBJECTION TO CLAIMS (NO LIABILITY CLAIMS)**

FINAL TERMS

Lehman Brothers UK Capital Funding II L.P. (the "Issuer")

€50,000,000

**Fixed Rate Guaranteed Non-Voting Non-Cumulative Perpetual Preferred Securities
(the "Preferred Securities")**

having the benefit of a subordinated guarantee of

Lehman Brothers Holdings plc (the "Guarantor")

(to be consolidated and form a single series with the €200,000,000 Fixed Rate Guaranteed Non-Voting Non-Cumulative Perpetual Preferred Securities, which were issued on 21st September, 2005)

Terms used herein shall be deemed to be defined as such for the purposes of the Description of the Preferred Securities set forth in the Prospectus dated 30th August, 2005 (the **Prospectus**) which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**). This document constitutes the Final Terms of the Preferred Securities described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Prospectus. Full information on the Issuer and the offer of the Preferred Securities is only available on the basis of the combination of these Final Terms and the Prospectus. The Prospectus is available for viewing at 25 Bank Street, London E14 5LE and copies may be obtained from 25 Bank Street, London E14 5LE.

Closing Date:	27th October, 2005
Liquidation Preference:	€1,000
Distribution Rate:	5.125 per cent. per annum payable annually in arrear
Distribution Payment Dates:	21st September in each year, with the first Distribution Payment Date being on 21st September, 2006. Distributions in respect of the first Distribution Period will accrue from 21st September, 2005, being the date of issue of the Issuer's €200,000,000 Fixed Rate Guaranteed Non-Voting Non-Cumulative Perpetual Preferred Securities, which were issued on 21st September, 2005 (the Existing Preferred Securities).
Aggregate Nominal Amount of the Preferred Securities:	
(i) Series:	€250,000,000
(ii) Tranche:	€50,000,000

On issue, the Preferred Securities will be consolidated and form a single series with the **Existing Preferred Securities**. On issue, the Preferred Securities will be evidenced by a temporary global certificate which will be exchanged for a permanent global certificate on 6th December, 2005 (40 days after the Closing Date).

Issue Price of Tranche: 101.25 per cent. of the Aggregate Nominal Amount of the Tranche plus 36 days' accrued Distribution from 21st September, 2005 at the rate of 5.125 per cent. per annum.

First Call Date of Subordinated Notes: 21st September 2009

Net Proceeds: €50,252,739.73

Managers: **Lead Manager**
Lehman Brothers International (Europe)

There are no other Managers for this Tranche.

ISIN: The Preferred Securities will be fungible for trading purposes upon 6th December, 2005 being the date falling 40 days after the Closing Date. Until such date, the Preferred Securities will have a temporary ISIN (XS0233128916) and following such date, the Preferred Securities will have the same ISIN as the Existing Preferred Securities (XS0229269856).

Common Code: The Preferred Securities will be fungible for trading purposes upon 6th December, 2005 being the date falling 40 days after the Closing Date. Until such date, the Preferred Securities will have a temporary Common Code (023312891) and following such date, the Preferred Securities will have the same Common Code as the Existing Preferred Securities (022926985).

Ratings: The Preferred Securities are expected to be assigned on issue the following ratings:
Moody's Investors Service Limited: A3
Fitch IBCA: A

Other terms: The Lead Manager will receive a combined selling, management and underwriting commission of €12.50 per Preferred Security.

The above pricing gives a yield of 5.125 per cent. per annum. Such yield is applicable as of the date of these Final Terms and may fluctuate in the future. For the avoidance of doubt, upon issuance of any Eligible Investments (or further Eligible Investments) as defined in the terms of the Preferred Securities in the Prospectus, the interest rate applicable to the Eligible Investments (or further Eligible Investments) will be the fixed rate per annum determined by the then prevailing market conditions for instruments of similar risk and 30-year maturity. This does not effect the Distribution Rate on the Preferred Securities.

The date of these Final Terms is 26th October, 2005.

LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list and have admitted to trading the issue by Lehman Brothers UK Capital Funding II L.P. of the Preferred Securities described herein.

RESPONSIBILITY

Each of the LB GP No. 1 Ltd (the **General Partner**), acting on behalf of the Issuer, and the Guarantor accepts responsibility for the information contained in these Final Terms.

Signed by LB GP No. 1 Ltd
as General Partner,
acting on behalf of the Issuer:

Signed on behalf of the Guarantor:

By:
Duly authorised

By:
Duly authorised